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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/457,237	12/08/1999	Michael R. Loeb	3203-4015	7462

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EXAMINER

GEDRICH, SARAH R

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 04/29/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/457,237

Applicant(s)

LOEB ET AL.

Examiner

Sarah R. Gedrich

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 April 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 31-34 and 42-45 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 31-34, and 42-45 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 08 December 1999 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input checked="" type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

RD

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

The request for a continued prosecution application (CPA) under 37 CFR 1.53(d) filed on [1] is acknowledged. 37 CFR 1.53(d)(1) was amended to provide that the CPA must be for a design patent and the prior application of the CPA must be a design application that is complete as defined by 37 CFR 1.51(b). See *Elimination of Continued Prosecution Application Practice as to Utility and Plant Patent Applications*, final rule, 68 *Fed. Reg.* 32376 (May 30, 2003), 1271 *Off. Gaz. Pat. Office* 143 (June 24, 2003). Since a CPA of this application is not permitted under 37 CFR 1.53(d)(1), the improper request for a CPA is being treated as a request for continued examination of this application under 37 CFR 1.114.

Response to Amendment

Claims 31 and 42 have been amended. Claims 31-34 and 42-45 are pending and have been examined in this non-final office action.

Response to Arguments

Applicant's arguments filed 29 April 2003 have been fully considered but they are not persuasive.

Applicant argues:

- Katz does not show or suggest the use of an incentive to consummate the first sale, much less the claimed plurality of incentives.

- In response to this argument, the Examiner notes that Katz does teach the use of a plurality of incentives to consummate a first sale. Katz discloses, “The primary transaction may be a contact for a sale or other commercial transaction, a service or repair transaction or interaction, or may be for the purpose of an inquiry (Katz: Column 13, lines 64-67). The system identifies one or more upsell items for offering to the potential customer, offering block 30 serves to provide the selected items to the potential customer (Katz: Column 14, lines 48-51).”
- Katz does not show or suggest the selection of an upsell based on an incentive selected by the customer in the first sale.
 - In response to this argument, the Examiner notes that Katz discloses, “Either upon completion of the primary transaction, such as through consummation of a sale or by program flow to further action prior to consummation of a sale, action (decision) block 12 is arrived at wherein data, such as order data or other primary transaction data is compared to one or more databases for analysis (Katz: Column 13, lines 58-64). The data from the proffer of the upsell may then be utilized in subsequent transactions, such as by storing the information in memory 96, or by utilizing it in connection with the determining unit 110 (Katz: Column 18, lines 35-39).”
- Neither does it show or suggest Applicant's claimed invention wherein the offer by the second merchant is displayed to the customer using the electronic address

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provided by the first merchant while the customer is still connected to the first merchant.

- In response to this argument, the Examiner notes that Katz discloses, "the selection of the product or service for offer, generally, the system comprises a multiple input, dynamic, preferably real-time system for the selection of a suggested product or service to offer to a potential customer or user (Katz: Column 23, lines 62-66)." The "real-time" selection and offer occurs while the customer is "still connected to the first merchant."

Drawings

The drawings filed on 08 December 1999 are acceptable subject to correction of the informalities indicated on the attached "Notice of Draftsperson's Patent Drawing Review," PTO-948. In order to avoid abandonment of this application, correction is required in reply to the Office action. The correction will not be held in abeyance.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 34 and 45 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

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The claim(s) contains subject matter, which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The claim recites "prioritization information" without giving "prioritization information" a specific definition or relating it to a likely definition in the specification. For examining purposes, the Examiner has interpreted prioritization information to be transaction information, including description, item number, or product category, that allows a second merchant to offer complimentary, or related good or service.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 31-34, and 42-45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Katz et al. (Paper No.9, hereinafter referred to as "Katz") in view of Sixtus (Paper No. 9).

Katz discloses a method and apparatus for effecting commerce through intelligent selection and proffer of products, services, or information to a customer. Katz method obtains information from the initial contact and/or transaction. The information is analyzed and used by other merchants to offer subsequent of simultaneous offers. Katz further discloses:

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1. Referring to claim 31. A method of facilitating online transactions based upon interactions between customers and merchants, comprising:

- Providing by a first merchant online to a customer a plurality of incentives for completing a sales transaction with the first merchant: A system user contacts the system for purpose of a primary transaction (Katz: Column 13, lines 52-53). The primary transaction may be a contact for a sale or other commercial transaction, a service or repair transaction or interaction, or may be for the purpose of an inquiry (Katz: Column 13, lines 64-67). The system identifies one or more upsell items for offering to the potential customer, offering block 30 serves to provide the selected items to the potential customer (Katz: Column 14, lines 48-51). The Examiner notes that the “first merchant” offers a “plurality of incentives” to the customer because “one or more upsell items” is offered. The Examiner further notes that “upsell items” are incentives.
- Determining an incentive selected by the customer in the sales transaction: Multiple potential purchases are offered to the user either simultaneously or serially, and if serially, the reaction to an earlier offer may be utilized in the decision for subsequent offers (Katz: Column 11, lines 28-31). An acceptance 422 region may be clicked, or double clicked as required, to accept an offer (Katz: Column 27, lines 14-16). The Examiner notes that if multiple offers were made simultaneously, multiple acceptance regions would be available, and the system would determine which incentive was selected to proceed to the fulfillment stage.

- Transmitting a reason code and a customer identifier from the first merchant to a second merchant indicating that the customer has completed the sales transaction with the first merchant, the reason code including an electronic address for communicating with the customer and information relating to the customer and to the selected incentive: The upsell system 70 may be resident at a third party location and be utilized by one or more telemarketing systems 40 (Katz: Column 16, lines 29-31). The data from the proffer of the upsell may then be utilized in subsequent transactions, such as by storing the information in memory 96, or by utilizing it in connection with the determining unit 110 (Katz: Column 18, lines 35-39). A coded designator may be provided from the third party database to the transaction or upsell processor, typically through agreed upon codes and formats, whereby the required information is provided, but in a generic enough manner so as not to raise privacy or other concerns (Katz: Column 18, line 67 – Column 19, line 5). The Examiner notes that the upsell system may act as a clearinghouse for multiple vendors to determine offers. The Examiner further notes that Katz discloses that customer information, including an email address, and previous transaction information, including initial contact reasoning, accepted offers, etc., is used by the system to determine subsequent offers. The information used to determine these offers may also be coded for privacy or other concerns.
- Displaying, by the second merchant using the electronic address, an offer to the customer, graphically on-line, the offer selected according to data associated

with the reason code, the offer displayed while the customer is still connected to the first merchant: The upsell system 70 may be resident at a third party location and be utilized by one or more telemarketing systems 40 (Katz: Column 16, lines 29-31). The system identifies one or more upsell items for offering to the potential customer, offering block 30 serves to provide the selected items to the potential customer (Katz: Column 14, lines 48-51). Multiple potential purchases are offered to the user either simultaneously or serially, and if serially, the reaction to an earlier offer may be utilized in the decision for subsequent offers (Katz: Column 11, lines 28-31). After the upsells have been identified, they are offered to the user. In an electronic commerce environment, a display or other communication of the offer is made, such as through textual data, video, and/or audio communication. Additionally, information may be provided by additional or other modes of communication, such as e-mail, facsimile, independent phone contact, cable contact, etc. (Katz: Column 11, lines 32-41). The Examiner notes that the upsell system acting as a clearinghouse for offers may offer multiple potential purchases simultaneously from multiple vendors or telemarketing systems and that "the primary transaction may relate to a good or service from company A, and the upsell relate to a good or service from company B, where company A is unaffiliated with company B" (Katz: Column 26, lines 62-65). The offers may be made through email and identified through customer information and history encoded in a "reason code." The Examiner further notes that the invention provides "real-time selection and offer of goods and services" (Katz:

Column 12, lines 57-59). The “real-time” offers would be made while the customer is still connected to the first merchant.

- Receiving online by the second merchant an acceptance of the offer from the customer: Multiple potential purchases are offered to the user either simultaneously or serially, and if serially, the reaction to an earlier offer may be utilized in the decision for subsequent offers (Katz: Column 11, lines 28-31). An acceptance 422 region may be clicked, or double clicked as required, to accept an offer (Katz: Column 27, lines 14-16). The Examiner notes that the upsell system would act similarly whether the merchant was the first merchant or the second.
- Establishing by the second merchant an electronic communication connection with the first merchant: The upsell system 70 may be resident at a third party location and be utilized by one or more telemarketing systems 40 (Katz: Column 16, lines 29-31). Goods, service, or information are provided to the user via electronic communication, such as through a telephone, videophone, or other computer link (Katz: Abstract). The Examiner notes that multiple users and telemarketing systems or vendors are in communication with the upsell system when the upsell system is acting as a clearinghouse.
- Processing by the second merchant the acceptance using the customer payment information: If the transaction is consummated, an indication may be provided to an order fulfillment unit 120 and attendant units such as the billing unit 122 and shipping/tracking unit 124 (Katz: Column 18, lines 12-15). An order fulfillment

unit 210, and associated billing units 212 and shipping/tracking unit 214 may be included as described in more detail with the telemarketing system (Katz: Column 20, lines 44-47). The Examiner notes that when the transaction is consummated, the offer has been accepted and the billing is processed. The Examiner further notes that processing the transaction would be the same for the first merchant as it would be for the second merchant.

Katz fails to disclose sending from the second merchant to the first merchant the customer identifier and sending, from the first merchant to the second merchant responsive to the customer identifier, customer payment information. Sixtus discloses a payment clearinghouse and secure online transaction processing. Sixtus teaches unique data being communicated to verify and authenticate a transaction. Sixtus further teaches:

- Sending from the second merchant to the first merchant the customer identifier:

When the trust server receives a transaction request from a vendor, it takes the user registration number supplied by the vendor and fetches from the database the user's identification information, including the credit card number that will be used in the transaction (Sixtus: Column 8, lines 27-31). The Examiner notes that the vendor sends the registration number to the trust server. The registration number is a form of customer id. The trust server acts as a transaction clearinghouse.

- Sending, from the first merchant to the second merchant responsive to the customer identifier, customer payment information: When the trust server

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receives a transaction request from a vendor, it takes the user registration number supplied by the vendor and fetches from the database the user's identification information, including the credit card number that will be used in the transaction (Sixtus: Column 8, lines 27-31). The Examiner notes that the transaction clearinghouse returns the credit card number to the vendor.

It would have been obvious to one of ordinary skill in the art at the time of the rejection of modify Katz to include sending from the second merchant to the first merchant the customer identifier and sending, from the first merchant to the second merchant responsive to the customer identifier, customer payment information as taught by Sixtus in order to collect and assemble input information, including customer information (e.g. credit card number) to determine the upsell or intelligent product selection (Katz: Column 9, lines 3-5, and 21-26) and to provide a credit authorization for the proposed offer, providing an "effective, automated commercial transaction system" (Katz: Column 12, lines 16-17, and 46-47).

2. Referring to claim 32.

- Decoding a data item to obtain the reason code and the customer identifier: A coded designator may be provided from the third party database to the transaction or upsell processor, typically through agreed upon codes and formats, whereby the required information is provided, but in a generic enough manner so as not to raise privacy or other concerns (Katz: Column 18, line 67 – Column 19, line 5). The Examiner asserts that the coded data would need to be "decoded" to serve purpose during the analyzing process and result in an offer.

3. Referring to claim 33.

- Receiving by the second merchant SKU information from the first merchant: The caller may be prompted to enter an item number for purchase, utilizing an item number designation from the catalog (Katz: Column 2, lines 44-47). Either upon completion of the primary transaction, such as through consummation of a sale or by program flow to further action prior to consummation of a sale, action (decision) block 12 is arrived at wherein data, such as order data or other primary transaction data is compared to one or more databases for analysis (Katz: Column 13, lines 58-64). The Examiner notes that a SKU is an item number that is considered transaction data used to determine the “upsells” or offers to be made to the user and would be received by the second merchant because “The data from the proffer of the upsell may then be utilized in subsequent transactions, such as by storing the information in memory 96, or by utilizing it in connection with the determining unit 110 (Katz: Column 18, lines 35-39).”
- The second merchant assembling the offer based upon the SKU information: The caller may be prompted to enter an item number for purchase, utilizing an item number designation from the catalog (Katz: Column 2, lines 44-47). Either upon completion of the primary transaction, such as through consummation of a sale or by program flow to further action prior to consummation of a sale, action (decision) block 12 is arrived at wherein data, such as order data or other primary transaction data is compared to one or more databases for analysis (Katz: Column 13, lines 58-64). The Examiner notes that a SKU is an item number that

is considered transaction data used to determine the “upsells” or offers to be made to the user.

4. Referring to claim 34.

- Receiving by the second merchant prioritization information from the first merchant for a compound purchase: Either upon completion of the primary transaction, such as through consummation of a sale or by program flow to further action prior to consummation of a sale, action (decision) block 12 is arrived at wherein data, such as order data or other primary transaction data is compared to one or more databases for analysis (Katz: Column 13, lines 58-64). The data from the proffer of the upsell may then be utilized in subsequent transactions, such as by storing the information in memory 96, or by utilizing it in connection with the determining unit 110 (Katz: Column 18, lines 35-39). Theme sales may be utilized such as where further goods are required to complete a set, such as a formal ware set (Katz: Column 10, lines 54-55). The primary transaction may relate to a good or service from company A, and the upsell relate to a good or service from company B, where company A is unaffiliated with company B” (Katz: Column 26, lines 62-65). The Examiner notes that after completing a transaction with the first merchant, the transaction data, including historical data, is transmitted to the second merchant. The second merchant analyses the data to develop offers, themed offers would result from the sale of related items by the first merchant. The subsequent offer may result in a

compound purchase if the user accepts the offer that was based on data provided by the first merchant transaction.

- The second merchant assembling offer components according to the prioritization information: The system for identifying the potential proffer utilizes the input information so as to generate one or more outputs comprising potential proffers to the user. Various selection methodologies are available, including historical selection criteria keying the proffer to what has effectively resulted in sales or successful transactions in the past, or proffers based upon demographic profile or other inputs as a designator for a potential upsell. In yet other selection methodologies, theme sales may be utilized such as where further goods are required to complete a set, such as a formal ware set (Katz: Column 10, lines 46-55). The Examiner notes that the "prioritization information" would result in theme offers to complete sets or compliment historical sales information.
5. Referring to claims 42-45. Claims 42-45 are rejected under the same rationale as set forth above in claims 31-34, respectively.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Jermyn US Patent No. 6,026,370 discloses a method and apparatus for customizing purchase incentives based on purchase histories. The technique


includes incentives based on themes, brands, related items, or new purchase categories.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sarah R. Gedrich whose telephone number is (571) 272-8121. The examiner can normally be reached on M-F 7:30am - 5:00pm, alternating Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on (571) 272-7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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